

LocalGovernment

From: LocalGovernment
Sent: Thursday, January 31, 2019 8:57 PM
To: LocalGovernment
Subject: FW: FY18 CAFR for City of Petersburg

From: Maisha Beasley [<mailto:mbeasley@petersburg-va.org>]
Sent: Thursday, January 31, 2019 7:21 PM
To: Rachel Reamy <rachel.reamy@apa.virginia.gov>
Subject: Re: FY18 CAFR for City of Petersburg

As you know the City of Petersburg did not issue its FY18 CAFR by November 30 IAW Code of Virginia §15.2-2510, §§15.2-2511.

The CAFR was postponed due to the City needing to add additional resources to assist the Treasurer's Office with bank reconciliations that had not been done since October 2017 and getting all state and federal revenue posted to the general ledger. While the City was able to reconcile the main concentration account, we were not able to properly reconcile the payroll account or the VPA/DSS account.

Due to the many departments that experienced turnover, balances on the balance sheet for each fund were not substantiated and funds did not balance.

Lastly, the most material impact is due to lack of evidence, the reports were not auditable. We have communicated with our external auditors and they have agreed to come back in May. So the goal is to issue the CAFR in May.

I am more than willing to have a further discussion.

Thanks and regards,

Maisha Beasley, CIA, CFE, CDFM
Interim Director of Finance, Accounting, Audit
City of Petersburg
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From: Maisha Beasley [<mailto:mbeasley@petersburg-va.org>]
Sent: Wednesday, October 17, 2018 2:46 PM
To: Martha Mavredes <martha.mavredes@apa.virginia.gov>; Rachel Reamy <rachel.reamy@apa.virginia.gov>
Cc: dfoley (dfoley@rfca.com) <dfoley@rfca.com>; Michael Rogers <mrogers@petersburg-va.org>
Subject: FY18 CAFR for City of Petersburg
Importance: High

Greetings Martha and Rachel,

Hope all is well with each of you. Martha, I may be wrong, but I presume you will be in attendance at the Joint Subcommittee meeting next week to discuss the Fiscal Distress Monitoring report that your office published back in March 2018. While Petersburg was not identified in this report, we know we were in the initial report and unfortunately, it was Petersburg financial situation that sparked the passage of Chapter 836, §4-8.03 of 2017.

At any rate, I'm reaching out to inform you all that the City of Petersburg's FY18 CAFR will not be submitted by November 30 IAW Code of Virginia §15.2-2510, §§15.2-2511. The external auditors were scheduled to be onsite on October 22nd for a November audit completion. However, after deliberating where we are it was my recommendation to my Chief Operating Officer that we delay the audit. I have shared the situation with our auditor and tried to be as transparent as I possibly can and he has agreed to come on site the week of January 7th to complete the audit.

As you know there has been a significant level of turn-over in the City in the Finance Department as well as in our treasury Dept. The main reason for this delay is that there still remain several months of unreconciled bank reconciliations for Fiscal Year 2018. Having the auditors begin work on the audit now would likely end with a qualified opinion or worse a disclaimer, neither of which would be in the best interest of the City. The Dept of Finance have taken steps to assist the Office of the Treasurer perform this important function. While I am by any stretch of the imagination pleased with my recommendation to delay the audit, but as I have shared with you before I just want to do what is right and in the best interest of the City. As the COO as stated to City Council, "it is better to take the time to complete these tasks, get it right rather than risk an unfavorable audit".

So with that said, I do not believe that by your January 31st deadline, you will be able to include Petersburg in your analysis.

Outside of the EMMA filings, are there any other filings I should be aware of?

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